State of California
Department of Mental Health

REQUEST FOR APPLICATION

Supportive Housing Initiative Act (SHIA) for SFY 2001-2002

GRANT # SHIA2001-01

Pre-Bidders Conference Questions/Answers

Riverside, CA

October 23, 2001

1.   **Q**: Are Transitional Housing projects eligible for rental subsidy?

       A: No. The SHIA requires that housing provided for tenants be permanent.

2.   **Q**: Do you consider traumatic brain injured individuals a target population?

       A: Yes.

3.   **Q**: Capital financing can be used to meet the match with new construction as I read the proposal. If only a percentage of the units – say 40% - are allocated for SHIA clients, can you only use 40% of capital as a match?

       A: Yes.

4.   **Q**: Are you penalized if you are your own property manager?

       A: No, provided that you have previous successful experience managing similar properties. However, we do have concerns about projects where the service provider is also the property manager. This situation can result in problems for tenants who wish to express concerns about either the housing or the services provided. Projects that provide tenants with an appropriate way to express such concerns will be more competitive than those that do not.

5.   **Q**: Can we use rental subsidies on an existing apartment property that we already own to bring rental costs down for the target population?

A: Yes.

6.   **Q**: Have the local housing authorities agreed to confirm that housing meets HUD's Quality Standards?

   A: The DMH and HCD have not secured agreements from any local government entities to perform the required housing quality inspections. However, we did talk to several housing authorities about this subject, and they thought that most authorities would agree to provide this service. It is up to the applicant to line up a public agency to perform the inspection, and to ensure that this is completed prior to funding.

7.   **Q**: Can asset management fee be adjusted annually to slow inflationary costs?

   A: No, we discontinued that practice with this year's RFA, and increased the maximum asset management fee to $15,000 per year.

8.   **Q**: For development projects – within what time frame do the units have to be ready? What is the date that the projects must start?

   A: New development projects must be ready to begin construction in December 2003.

9.   **Q**: Can you use HUD SHP funds as a match for SHIA funds?

   A: Yes.

10.   **Q**: In Attachment 8, page 8.5, under required additional submittals for projects applying for rent subsidies, #2 asks for photographs of the project site. If this is to be a new construction project do you want both photos of site and architectural renderings of the proposed project?

   A: Architectural renderings would be an informative addition to the application, but are not required.

11.   **Q**: Can we serve tenants who are currently renting – making agreement with landlord – or do we have to fund vacant units?

   A: You may serve tenants who are currently renting units.

12.   **Q**: Our program manager pointed out that there is a section about residents SSI being impacted by SHIA funds. Could our residents possibly lose some SSI benefits as a result of SHIA funds subsidizing their housing and services?

A: Yes, this is possible. (See Page 11, Section 3.4 of the RFA)

13. **Q**: Would a three-bedroom group home be eligible?

    A: Only if part of a larger project An application must contain a minimum of five units that serve the SHIA target population.

14. **Q**: Can a non-profit housing developer apply for the SHIA services grant for a supportive housing development (transitional housing for emancipated foster youth with mental disabilities) and administer the grant to the service provider (e.g. DMH, DCFS)?

    A: No. The housing must be permanent, not transitional.

15. **Q**: Do SHIA funds for services need to serve new residents or can it serve existing residents?

    A: SHIA funds may be used to provide services to existing clients if the current services being provided are enhanced. This must be clearly shown within the narrative portion of the application.

16. **Q**: Of the $7 million set aside for rental subsidies projects, will that only go toward the rental subsidies portions or will projects requesting rental subsidies and services funding have the services part also taken from the $7 million?

    A: The $7 million set aside will be used to fund both services and rental subsidies of new development projects.

17. **Q**: For the remaining $13 million, will services only, rental subsidies only, and rental subsidies and services projects complete equally?

    A: Yes.

18. **Q**: On the supportive services budget, what constitutes "fringe benefits" for staff? Medical, vacation, worker's comp, etc.?

    A: All of the above may constitute fringe benefits.

19. **Q**: How are "project partners" defined? Are they funders, vendors, local government or social agencies? What kinds of agreements are needed?

    A: Project partners are defined as property managers, service providers, and housing developers. Letters, MOUs, and contracts are examples of agreements that may submitted with an application.

20. **Q**: We received a SHIA grant in the last cycle for a project that is beginning construction in 2002 and will begin providing services in 2003. The services grant was for one year beginning in 2003. Can we apply this year for a 1, 2, or 3-year services grant beginning in 2004?

    A: No.

21. **Q**: If you are an organization with subsidiary corporations that provide housing and some support services can the subsidiaries be considered collaborators?

    A: This type of collaboration is acceptable.

22. **Q**: What is the percentage limitation on budgeted administrative costs?

    A: There is no limit set on what an applicant can budget for administrative costs. When reviewing applications, the reasonableness of the costs will be taken into consideration within the framework of the entire proposal.

23. **Q**: Does the application need to be single-spaced or double-spaced?

    A: Applications must be single-spaced.

24. **Q**: Our organization provides housing and supportive services in addition to developing affordable housing and providing professional property management for our multiple projects – do we still need to collaborate with separate entities for development and property management

    A: It will be important to clearly define the roles and responsibilities of each part of your organization. In order to ensure tenant autonomy, the functions of property management and service provider should not be blended. Please refer to Section 3.2, Licensing Considerations, page 10 of the RFA for additional information. See also our response to Question 4 above.

25. **Q**: If you already own property is the value of the property considered match?

    A: Yes. The value of that portion of the property used for SHIA clients may be used as match.

26. **Q**: If we have a 12-unit building and only 4 of those units are SRO, could we receive SHIA funds for those 4 units, or do we need to have at least 5 SRO units?

A: Each application must involve a minimum of five (5) SHIA-assisted units.

27. **Q**: Can we do a single service project in two separate communities?

    A: Yes.

28. **Q**: Is funding for supportive services available for those with disabilities and not low income families? If we are providing housing and services for mixed populations (disability and low income) are services restricted?

    A: SHIA funds may be used to provide services to individuals who are both low income and disabled. Only those tenants that meet the definition of the target population, as specified in the RFA, are eligible for funding by SHIA.

29. **Q**: How will we know if you have received our letter of intent form?

    A: If you have concerns, please contact Minerva Reyes at (916) 654-0486.

30. **Q**: We were awarded a three-year supportive grant last year. For what could we apply this year?

    A: You may wish to apply for SHIA funds to cover: 1) an enhancement of existing services; 2) an increased number of tenants that will be served; or 3) a new project.

31. **Q**: Can one agency apply for both rental subsidies and support services?

    A: Yes.

32. **Q**: In addressing reasonable transportation access, is it necessary to go beyond listing nearby bus/transit stops? With Caltrans grant we have to show that a client can access the stop from the site (for example that there are sidewalks, lighting, wheelchair access). Is this type of detail required for the SHIA grant?

    A: This type of detail is good, but not required. Please provide detailed information on the type of transportation available and how the tenants will be able to use it (i.e., client will be shown how to access the transportation). The more information provided, the more competitive the application is likely to be.

33. **Q**: How competitive would an application be for supportive services for new units (29) that will be available in the fall of 2003?

A: This application would be competitive as a new development project.

34. **Q**: Do you need proof of match?

    A: Yes, documentation of match is required.

35. **Q**: Can a project reapply after three-years for an extension?

    A: Yes, but the match is designed to assist the project to become self-supporting. If the project did not become self-supportive, it may be viewed as less competitive when compared to projects applying for the first time.

36. **Q**: How close do public transportation and other amenities need to be? Accessible by transportation for shopping and medical services?

    A: There are no limits set as to how close public transportation must be to a housing site. Please describe your situation in the application narrative.

37. **Q**: If you have 23 apartments in your project which are a combination of studios, one- and two-bedroom units, is that a potential of 23 units that could qualify for SHIA or 30 (assuming there are seven two-bedroom units).

    A: If all bedrooms are rented to individuals (not family members) under separate lease agreements, 30 units may be utilized. If the two-bedroom units are rented to families, then you would only be utilizing 23 units. If you are requesting rental subsidies for 30 units, you must ensure that they are rented to 30 disabled individuals for the duration of the grant.

38. **Q**: If another funding source requires a developer to show a vacancy rate higher than 5%, can the agency/developer use the higher rate?

    A: No. On the proforma you prepare for the other funding source, one option would be for you to show the higher vacancy rate that they require, and cash flow that is less than the maximum asset management fee allowed for SHIA. Based on our analysis, that step should generally allow you to satisfy the requirements of both funding agencies.

39. **Q**: The proforma included with the training and match is insufficient from Year 3 onward. However, the capital contribution is shown as a lump sum without being distributed across the years of the subsidy. Shouldn't the proforma be changed to allocate these costs so that the match can be made?

A: If the total match provided is equal to or exceeds the total match required, you will have met the match requirement, even if the match is not met in specific years. We may change the pro forma next year to show the match distributed across the grant years, but it will stand as is this year.

40.   **Q**: What kinds of services are eligible for SHIA funding if your project is targeting formerly homeless clients?

A: Case management, vocational, independent living skills, etc. are just a few of the services that may be funded with a SHIA grant.